



April 8, 2003

ENGROSSED HOUSE BILL No. 1556

DIGEST OF HB 1556 (Updated April 3, 2003 6:34 PM - DI 44)

Citations Affected: IC 4-21.5; IC 4-32; IC 4-33.

Synopsis: Gaming matters. Specifies that the administrative orders and procedures act applies to a protest or hearing related to the regulation of charity gaming by the department of state revenue. Specifies that the gaming card excise tax is imposed upon distributors. Sets forth certain recordkeeping requirements for manufacturers and distributors. Provides that radio advertisements for charity gaming events must state the name of the organization conducting the advertised event and that the organization's license number is on file. Provides that if an employee or officer of a manufacturer or distributor is a member of a bona fide civic or religious organization holding a charity gaming license, the membership may not be construed as an affiliation with the charity gaming operations of the organization. Provides that the Indiana gaming commission's annual report is due on September 1 instead of March 1.

Effective: January 1, 2003 (retroactive); upon passage; July 1, 2003.

Liggett, Whetstone, Adams T

(SENATE SPONSORS — MEEKS C, CRAYCRAFT)

January 16, 2003, read first time and referred to Committee on Public Policy, Ethics and Veterans Affairs.

February 17, 2003, amended, reported — Do Pass. Recommitted to Committee on Ways and Means.

February 19, 2003, reported — Do Pass.

February 24, 2003, read second time, ordered engrossed. Engrossed.

February 25, 2003, read third time, passed. Yeas 97, nays 0.

SENATE ACTION

March 4, 2003, read first time and referred to Committee on Finance.

April 7, 2003, amended, reported favorably — Do Pass.

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EH 1556—LS 7306/DI 92+



April 8, 2003

First Regular Session 113th General Assembly (2003)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2002 Regular or Special Session of the General Assembly.

ENGROSSED HOUSE BILL No. 1556

A BILL FOR AN ACT to amend the Indiana Code concerning gaming.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 4-21.5-2-4, AS AMENDED BY P.L.198-2001,
2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 UPON PASSAGE]: Sec. 4. (a) **Except as provided in subsection (c),**
4 this article does not apply to any of the following agencies:
5 (1) The governor.
6 (2) The state board of accounts.
7 (3) The state educational institutions (as defined by
8 IC 20-12-0.5-1).
9 (4) The department of workforce development.
10 (5) The unemployment insurance review board of the department
11 of workforce development.
12 (6) The worker's compensation board.
13 (7) The military officers or boards.
14 (8) The Indiana utility regulatory commission.
15 (9) The department of state revenue (excluding an agency action
16 related to the licensure of private employment agencies).
17 (b) This article does not apply to action related to railroad rate and

EH 1556—LS 7306/DI 92+



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1 tariff regulation by the Indiana department of transportation.

2 **(c) This article applies to a protest or hearing related to the**
 3 **regulation of charity gaming under IC 4-32 by the department of**
 4 **state revenue.**

5 SECTION 2. IC 4-32-6-16.5 IS ADDED TO THE INDIANA CODE
 6 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 7 1, 2003]: **Sec. 16.5. "Marketing sheet" means additional**
 8 **information published about a wagering game that describes**
 9 **winnings.**

10 SECTION 3. IC 4-32-8-5 IS ADDED TO THE INDIANA CODE
 11 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE
 12 UPON PASSAGE]: **Sec. 5. IC 4-21.5 applies to protests and**
 13 **hearings under this article.**

14 SECTION 4. IC 4-32-9-35 IS ADDED TO THE INDIANA CODE
 15 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 16 1, 2003]: **Sec. 35. If an employee or officer of a manufacturer or**
 17 **distributor is a member of a bona fide civic or bona fide religious**
 18 **organization that holds a charity gaming license, the employee's or**
 19 **officer's membership in the organization may not be construed as**
 20 **an affiliation with the organization's charity gaming operations.**

21 SECTION 5. IC 4-32-9-36 IS ADDED TO THE INDIANA CODE
 22 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 23 1, 2003]: **Sec. 36. An advertisement for an allowable event in radio**
 24 **broadcast media must announce, within the advertisement, the**
 25 **name of the qualified organization conducting the allowable event**
 26 **and that the qualified organization's license number is on file.**

27 SECTION 6. IC 4-32-13-6 IS ADDED TO THE INDIANA CODE
 28 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 29 1, 2003]: **Sec. 6. A marketing sheet published in connection with a**
 30 **wagering game must be maintained for the lesser of:**

31 **(1) six (6) years after the year in which the marketing sheet**
 32 **was published; or**

33 **(2) the end of an audit in which the marketing sheet and**
 34 **similar records are audited.**

35 SECTION 7. IC 4-32-13-7 IS ADDED TO THE INDIANA CODE
 36 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 37 1, 2003]: **Sec. 7. (a) This section applies only to products sold in**
 38 **Indiana.**

39 **(b) If a licensed manufacturer or distributor destroys,**
 40 **discontinues, or otherwise renders unusable:**

41 **(1) bingo supplies;**

42 **(2) punchboards; or**



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(3) tip boards;
the manufacturer or distributor must provide the department with a written list of the items destroyed, discontinued, or rendered otherwise unusable.

(c) The list required under subsection (b) must contain the following information concerning the items destroyed, discontinued, or rendered otherwise unusable:

(1) The quantity.

(2) A description.

(3) The serial numbers.

(4) The date the items were destroyed, discontinued, or rendered otherwise unusable.

(d) Notwithstanding subsection (b), this section does not apply to a product considered defective by the manufacturer or distributor.

SECTION 8. IC 4-32-13-8 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 8. Records of a manufacturer or distributor must be produced upon request by the department or its representative within seventy-two (72) hours or by another mutually agreed upon time if production of the requested documents within seventy-two (72) hours is impractical or burdensome.**

SECTION 9. IC 4-32-13-9 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 9. A manufacturer or distributor of supplies, devices, or equipment described in IC 4-32-7-4(a) to be used in charity gaming in Indiana must file a quarterly report listing the manufacturer's or distributor's sales of the supplies, devices, and equipment.**

SECTION 10. IC 4-32-15-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 1. An excise tax is imposed on the distribution of pull tabs, punchboards, and tip boards in the amount of ten percent (10%) of the ~~wholesale~~ price for paid by the qualified organization that purchases the pull tabs, punchboards, and tip boards.**

SECTION 11. IC 4-32-15-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 2. A licensed entity ~~supplying~~ distributing pull tabs, punchboards, or tip boards under this article is liable for the tax. The tax is imposed at the time the licensed entity:**

(1) brings or causes the pull tabs, punchboards, or tip boards to be brought into Indiana for distribution;



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(2) ~~manufactures~~ **distributes** pull tabs, punchboards, or tip boards in Indiana; ~~for distribution~~; or

(3) transports pull tabs, punchboards, or tip boards to qualified organizations in Indiana for resale by those qualified organizations.

SECTION 12. IC 4-33-3-22 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003 (RETROACTIVE)]:

Sec. 22. (a) The commission shall file a written annual report with the governor before ~~March~~ **September** 1 of each year. The commission shall file any additional reports that the governor requests.

(b) The annual report filed under this section must include a statement describing the following:

(1) The receipts and disbursements of the commission.

(2) Actions taken by the commission.

(3) Any additional information and recommendations that:

(A) the commission considers useful; or

(B) the governor requests.

SECTION 13. **An emergency is declared for this act.**

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Policy, Ethics and Veterans Affairs, to which was referred House Bill 1556, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, delete lines 1 through 17.

Page 2, delete lines 1 through 6, begin a new paragraph and insert:

"SECTION 1. IC 4-21.5-2-4, AS AMENDED BY P.L.198-2001, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) **Except as provided in subsection (c),** this article does not apply to any of the following agencies:

- (1) The governor.
- (2) The state board of accounts.
- (3) The state educational institutions (as defined by IC 20-12-0.5-1).
- (4) The department of workforce development.
- (5) The unemployment insurance review board of the department of workforce development.
- (6) The worker's compensation board.
- (7) The military officers or boards.
- (8) The Indiana utility regulatory commission.
- (9) The department of state revenue (excluding an agency action related to the licensure of private employment agencies).

(b) This article does not apply to action related to railroad rate and tariff regulation by the Indiana department of transportation.

(c) This article applies to a protest or hearing related to the regulation of charity gaming under IC 4-32 by the department of state revenue.

SECTION 2. IC 4-32-6-16.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 16.5. "Marketing sheet" means additional information published about a wagering game that describes winnings."**

Page 2, delete lines 11 through 42.

Delete pages 3 through 5.

Page 6, delete lines 1 through 16, begin a new paragraph and insert:

"SECTION 6. IC 4-32-9-35 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 35. If an employee or officer of a manufacturer or distributor is a member of a bona fide civic or bona fide religious organization that holds a charity gaming license, the employee's or officer's membership in the organization may not be construed as**

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an affiliation with the organization's charity gaming operations.

SECTION 7. IC 4-32-9-36 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 36. An advertisement for an allowable event in radio broadcast media must announce, within the advertisement, the name of the qualified organization conducting the allowable event and that the qualified organization's license number is on file.**

SECTION 8. IC 4-32-13-6 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 6. A marketing sheet published in connection with a wagering game must be maintained for the lesser of:**

- (1) six (6) years after the year in which the marketing sheet was published; or
- (2) the end of an audit in which the marketing sheet and similar records are audited.

SECTION 9. IC 4-32-13-7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 7. (a) This section applies only to products sold in Indiana.**

(b) If a licensed manufacturer or distributor destroys, discontinues, or otherwise renders unusable:

- (1) bingo supplies;
- (2) punchboards; or
- (3) tip boards;

the manufacturer or distributor must provide the department with a written list of the items destroyed, discontinued, or rendered otherwise unusable.

(c) The list required under subsection (b) must contain the following information concerning the items destroyed, discontinued, or rendered otherwise unusable:

- (1) The quantity.
- (2) A description.
- (3) The serial numbers.
- (4) The date the items were destroyed, discontinued, or rendered otherwise unusable.

(d) Notwithstanding subsection (b), this section does not apply to a product considered defective by the manufacturer or distributor.

SECTION 10. IC 4-32-13-8 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 8. Records of a manufacturer or distributor must be produced upon request by the department or its representative**



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within seventy-two (72) hours or by another mutually agreed upon time if production of the requested documents within seventy-two (72) hours is impractical or burdensome.

SECTION 11. IC 4-32-13-9 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 9. A manufacturer or distributor of supplies, devices, or equipment described in IC 4-32-7-4(a) to be used in charity gaming in Indiana must file a quarterly report listing the manufacturer's or distributor's sales of the supplies, devices, and equipment."**

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1556 as introduced.)

LYTLE, Chair

Committee Vote: yeas 11, nays 0.

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EH 1556—LS 7306/DI 92+



COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1556, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

CRAWFORD, Chair

Committee Vote: yeas 26, nays 1.

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EH 1556—LS 7306/DI 92+



COMMITTEE REPORT

Mr. President: The Senate Committee on Finance, to which was referred House Bill No. 1556, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 4, between lines 5 and 6, begin a new paragraph and insert:

"SECTION 12. IC 4-33-3-22 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003 (RETROACTIVE)]:
Sec. 22. (a) The commission shall file a written annual report with the governor before ~~March~~ **September** 1 of each year. The commission shall file any additional reports that the governor requests.

(b) The annual report filed under this section must include a statement describing the following:

- (1) The receipts and disbursements of the commission.
- (2) Actions taken by the commission.
- (3) Any additional information and recommendations that:
 - (A) the commission considers useful; or
 - (B) the governor requests."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1556 as printed February 20, 2003.)

BORST, Chairperson

Committee Vote: Yeas 13, Nays 1.

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